

CHAPTER 1

National Security

The Maritime Administration (MARAD) is responsible for assuring that merchant shipping is available in times of war or national emergency. MARAD administers programs to meet sealift requirements determined by the Department of Defense (DOD) and conducts related national security activities.

The Ready Reserve Force (RRF) is MARAD's premier readiness program. The RRF was created to maintain a surge shipping and resupply capability on short notice to support deployment of forces. As of September 30, 2001, there were 76 vessels in the RRF, maintained by MARAD, constantly ready to be activated in 4, 5, 10, or 20 days. Their readiness is tested by the Department of Defense (DOD) in activations initiated without prior notice or planning. There were 13 such activations in FY 2001, all of which were completed within their assigned readiness time periods.

Two other national security programs, the Maritime Security Program (MSP) and the Voluntary Intermodal Sealift Agreement (VISA), also provide surge sealift capability but are more directed toward the sustainment and resupply phase of a conflict. MSP and VISA have the added benefit of promoting the health of the U.S. maritime industry as a whole.

MARAD also conducts national security planning, training, and operations in areas such as emergency communications, naval control/civil direction of shipping, war risk insurance, and port emergency operations.

Maritime Security Program (MSP)

The MSP serves to maintain an active, privately owned, U.S.-flag and U.S.-crewed liner fleet in international trade, a fleet which is available to support DOD sustainment in a contingency. The MSP is a 10-year program established under the Maritime Security Act of 1996, and provides approximately \$100 million in funding annually for up to 47 vessels to offset higher operating costs under U.S. registry.

The program helps the United States retain an active U.S.-flag merchant fleet comprising modern, efficient, and militarily useful commercial dry-cargo vessels that can support national security requirements, and maintain a competitive U.S.-flag presence in international commerce. During fiscal year (FY) 2001, the MSP fleet logged 16,706 operating days across the oceans of the world. As of September 30, 2001, 12 carriers were receiving MSP payments for 47 vessels. MSP operators and types of participating vessels are shown in Figure 1. A complete list of MSP vessels as of September 30, 2001, is shown in Figure 2.

**Figure 1: Maritime Security
Program Participants as of September 30, 2001**

American Ship Management, LLC	9 containerships
Automar International Car	3 RO/RO's*
Central Gulf Lines, Inc.	3 RO/RO's
E-Ships, Inc.	3 containerships
First American Bulk Carrier Corp.	2 containerships
First Ocean Bulk Carrier I, LLC	1 containership
First Ocean Bulk Carrier II, LLC	1 containership
First Ocean Bulk Carrier III, LLC	1 containership
Maersk Line, Ltd.	4 containerships
OSG Car Carriers, Inc.	1 RO/RO
U.S. Ship Management, Inc.	15 containerships
Waterman Steamship Corp.	3 LASH** and 1 RO/RO
Total	47 vessels

* RO/RO, roll-on/roll-off vessel

** LASH, lighter aboard ship

The MSP also helps retain a labor base of skilled American seafarers who are available to crew the U.S. Government-owned strategic sealift fleet, as well as the U.S. commercial fleet, both in peace and war. The MSP leverages relatively modest Federal support dollars to retain access to a substantial U.S. commercial maritime capitalization base valued at more than \$8.5 billion.

The MSP replaced the Operating-Differential Subsidy (ODS) program, which compensated U.S. carriers on a reimbursable basis for the higher costs of operating ships under the U.S. flag as compared to those of foreign-flag competitors. As an incentive for U.S.-flag operators to increase efficiency, Congress established MSP funding levels at fixed amounts below that of ODS. The MSP provides financial assistance of up to \$2.1 million per year per vessel, which is less than half the cost of the ODS program and represents about 13 percent of the cost of operating a U.S.-flag vessel.

During FY 2001, MARAD approved the acquisition of Automar International Car Carrier's (AICC) stock from American Automar, Inc., by American Ocean Enterprises, Inc., a U.S.-citizen company within the meaning of Section 2 of the Shipping Act, 1916, as amended. Under this approval, AICC

Figure 2: MSP Operators and Vessels as of September 30, 2001

<i>Company</i>	<i>Ship Name</i>	<i>Ship Type</i>	<i>TEU's</i>
American Ship Management, L.L.C.	APL KOREA	CONT C11	3,900
American Ship Management, L.L.C.	APL PHILIPPINES	CONT C11	3,900
American Ship Management, L.L.C.	APL SINGAPORE	CONT C11	3,900
American Ship Management, L.L.C.	APL THAILAND	CONT C11	3,900
American Ship Management, L.L.C.	PRESIDENT ADAMS	CONT C10	3,600
American Ship Management, L.L.C.	PRESIDENT JACKSON	CONT C10	3,600
American Ship Management, L.L.C.	PRESIDENT KENNEDY	CONT C10	3,600
American Ship Management, L.L.C.	PRESIDENT POLK	CONT C10	3,600
American Ship Management, L.L.C.	PRESIDENT TRUMAN	CONT C10	3,600
Central Gulf Lines, Inc.	GREEN COVE	RO/RO	N/A
Central Gulf Lines, Inc.	GREEN POINT	RO/RO	N/A
Central Gulf Lines, Inc.	GREEN LAKE	RO/RO	N/A
Automar International Car Carrier, Inc.	FAUST	RO/RO	N/A
Automar International Car Carrier, Inc.	FIDELIO	RO/RO	N/A
Automar International Car Carrier, Inc.	TANABATA	RO/RO	N/A
First American Bulk Carrier Corp.	CHESAPEAKE BAY	CONT	2,409
First American Bulk Carrier Corp.	DELAWARE BAY	CONT	2,409
E-Ships, Inc.	ENDEAVOR	CONT	1,834
E-Ships, Inc.	ENDURANCE	CONT	1,834
E-Ships, Inc.	ENTERPRISE	CONT	1,834
First Ocean Bulk Carrier-I, LLC	LYKES NAVIGATOR	CONT	2,698
First Ocean Bulk Carrier-II, LLC	LYKES DISCOVERER	CONT	2,698
First Ocean Bulk Carrier-III, LLC	LYKES LIBERATOR	CONT	2,698
Maersk Line, Limited	MAERSK CALIFORNIA	CONT	1,400
Maersk Line, Limited	MAERSK COLORADO	CONT	1,169
Maersk Line, Limited	MAERSK TENNESSEE	CONT	1,325
Maersk Line, Limited	MAERSK TEXAS	CONT	1,325
OSG Car Carriers, Inc.	OVERSEAS JOYCE	RO/RO	N/A
U.S. Ship Management, Inc.	SEALAND ACHIEVER	CONT ACV	3,606
U.S. Ship Management, Inc.	SEALAND FLORIDA	CONT ACV	3,606
U.S. Ship Management, Inc.	SEALAND PRIDE	CONT SL-31	2,890
U.S. Ship Management, Inc.	SEALAND MOTIVATOR	CONT SL-31	2,890
U.S. Ship Management, Inc.	SEALAND COMMITMENT	CONT ACV	3,606
U.S. Ship Management, Inc.	SEALAND ATLANTIC	CONT ACV	3,606
U.S. Ship Management, Inc.	SEALAND DEFENDER	CONT D9J	2,306
U.S. Ship Management, Inc.	SEALAND ENDURANCE	CONT D9J	2,306
U.S. Ship Management, Inc.	SEALAND EXPLORER	CONT D9J	2,306
U.S. Ship Management, Inc.	SEALAND INNOVATOR	CONT D9J	2,306
U.S. Ship Management, Inc.	SEALAND INTEGRITY	CONT ACV	3,606
U.S. Ship Management, Inc.	SEALAND LIBERATOR	CONT D9J	2,306
U.S. Ship Management, Inc.	SEALAND PATRIOT	CONT D9J	2,306
U.S. Ship Management, Inc.	SEALAND PERFORMANCE	CONT ACV	3,606
U.S. Ship Management, Inc.	SEALAND QUALITY	CONT ACV	3,606
Waterman Steamship Corp.	GREEN ISLAND	LASH	1,246
Waterman Steamship Corp.	ROBERT E. LEE	LASH	1,246
Waterman Steamship Corp.	GREEN DALE	RO/RO	N/A
Waterman Steamship Corp.	STONEWALL JACKSON	LASH	1,246
			105,829

retained the MSP contracts for the vessels FAUST, FIDELIO, and TANABATA.

An important element of the MSP is the reflagging of new and more efficient vessels to U.S. registry. During FY 2001, three vessels reflagged to U.S. registry were approved by MARAD as substitutes for three MSP vessels. The SEALAND PRIDE and SEALAND MOTIVATOR were substituted in U.S. Ship Management Inc.'s MSP contracts for the NEWARK BAY and SEALAND OREGON, respectively. MARAD also approved Central Gulf Lines, Inc.'s request to replace the MSP Pure Car Truck Carrier (PCTC) vessel GREEN LAKE with the foreign-flag PCTC vessel CYGNUS LEADER. The approval was conditioned upon the reflagging of the CYGNUS LEADER to U.S. registry. The substituted vessel was only three years old, while the GREEN LAKE was built in 1987. After U.S.-flag documentation, the CYGNUS LEADER was renamed the GREEN LAKE.

In addition, two U.S.-flag companies purchased four foreign-flag vessels, all less than 10 years old, which MARAD determined would be eligible for MSP if additional funding were available. These vessels received expedited Coast Guard approval for U.S.-flag registry, and were brought under the U.S. flag. The addition of these ships also greatly benefits the modernization of the U.S. merchant fleet and enhances its competitiveness and sealift readiness.

Voluntary Intermodal Sealift Agreement (VISA)

The Voluntary Intermodal Sealift Agreement (VISA) program is sponsored by MARAD under its authorities for voluntary agreements contained in the Defense Production Act of 1950 and the Merchant Marine Act, 1936, as amended. VISA was approved as the DOD's principal commercial sealift readiness program on January 30, 1997.

The VISA program provides DOD with assured access to commercial intermodal capacity to move ammunition and sustainment cargo. This capacity can also supplement U.S. Government-owned/controlled/chartered capacity used for initial deployment or "surge" of unit equipment.

The objective of the program is to maximize DOD's use of the multibillion-dollar, state-of-the-art, U.S. commercial intermodal transportation system to serve America in peace and war while minimizing disruption to commercial operations. VISA activation would be time-phased to streamline the availability of capacity to coincide with DOD requirements. Commercial operators can volunteer capacity in VISA Stages I and II, but in Stage III participants must commit at least 50 percent of their capacities. However, MSP-enrolled vessel capacity must be 100 percent committed during Stage III. By using a time-phased approach to provide capacity to meet varying levels of crisis, carriers can plan options to sustain ongoing commercial arrangements during contingencies while accomplishing DOD's transportation requirements.

MSP/VISA Linkages

More than 75 percent of the militarily useful U.S.-flag commercial dry cargo shipping capacity is enrolled in VISA Stage III, and over 70 percent of that capacity comes from MSP vessels.

In FY 2001, MARAD published a notice in the *Federal Register* on the VISA "Open Season" enrollment for FY 2002. Several new U.S.-flag vessel-operating companies are expected to enroll as a result of the open season. As of September 30, 2001, there were 53 VISA participants, as listed in Figure 3.

Figure 3: VISA Participants as of September 30, 2001

Alaska Cargo Transport, Inc.	Maybank Navigation Company, LLC
American Automar, Inc.	McAllister Towing and Transportation Co., Inc.
American President Lines, Ltd.	Moby Marine Corp.
American Roll-On Roll-Off Carrier, LLC	NPR, Inc.
American Ship Management, LLC.*	Ocean Marine Shipping, Inc.
Automar International Car Carrier, Inc.*	Odysea Shipping Line, LLC
Beyel Brothers Inc.	OSG Car Carriers, Inc.*
Caribe USA, Inc.	Resolve Towing & Salvage, Inc.
Central Gulf Lines, Inc.*	Samson Tug & Barge Company, Inc.
Cook Inlet Marine	Sea Star Line, LLC
Crowley Liner Services, Inc.	Seacor Marine International, Inc.
Crowley Marine Services, Inc.	Sealift, Inc.
CSX Lines, LLC	Signet Maritime Corporation
E-Ships, Inc.*	Smith Maritime
Farrell Lines Incorporated	STEA Corporation
First American Bulk Carrier Corp.*	Stevens Towing Co., Inc.
First Ocean Bulk Carrier-I, LLC*	Superior Marine Services, Inc.
First Ocean Bulk Carrier-II, LLC*	Totem Ocean Trailer Express, Inc.
First Ocean Bulk Carrier-III, LLC*	Trailer Bridge, Inc.
Foss Maritime Company	TransAtlantic Lines, LLC
Gimrock Maritime, Inc.	Trico Marine Operators, Inc.
Liberty Shipping Group Limited Partnership	Troika International, Ltd.
Lockwood Brothers, Inc.	U.S. Ship Management, Inc.*
Lykes Lines Limited, LLC	Van Ommeren Shipping (USA), LLC
Lynden Incorporated	Waterman Steamship Corp.*
Maersk Line, Limited*	Weeks Marine, Inc.
Matson Navigation Company, Inc.	

* MSP Participants

The companies commit specific vessel capacity, intermodal equipment, and management services. As a condition for receiving Government financial support, MSP participants are required to enroll 100 percent of their MSP vessel capacity and a comparable mix of intermodal resources and services in VISA.

Over 105,000 20-foot equivalent units (TEUs) and 1 million square feet of capacity committed to DOD stems from MSP obligations. Other U.S.-flag vessel operators are encouraged to commit non-MSP resources to VISA as a condition for receiving priority for award of DOD peacetime ocean freight contracts.

By partnering with the U.S.-flag commercial maritime industry, the U.S. Government leverages assured access to a total global intermodal network that includes not only vessels but also logistics, management services, infrastructure, terminals, equipment, communications, and cargo-tracking networks, as well as a cadre of well-trained, professional U.S. seafarers and shore-side employees.

Through VISA's Joint Planning Advisory Group (JPAG), Government and industry representatives identify and discuss DOD's requirements, recommend concepts of operations to meet requirements, test and exercise program arrangements, and comply with antitrust requirements for pooling/teaming arrangements.

In FY 2001, two JPAG meetings were convened. On April 19, 2001, MARAD hosted a JPAG meeting at MARAD headquarters. The U.S. Transportation Command (USTRANSCOM) briefed "TURBO Challenge 2001," an exercise involving wartime movement requirements. In addition, USTRANSCOM provided the requirements for a test VISA activation. VISA carrier representatives provided details of how to satisfy the requirements. The results of this exercise are proving useful in assessing the readiness of the VISA fleet to respond to a military crisis. The second JPAG meeting was convened on September 19, 2001. This meeting was conducted by video telephonic conference (VTC). The VTC connected sites at the Military Sealift Command, Military Traffic Management Command and USTRANSCOM. Government and industry representatives were briefed on sealift operations in response to the terrorist attacks of September 11, 2001.

NATIONAL DEFENSE RESERVE FLEET (NDRF)

The NDRF program, including the Ready Reserve Force (RRF) component, keeps MARAD-owned vessels in a laid-up condition, including those that can be activated to support U.S. sealift requirements during a national emergency.

As of September 30, 2001, there were 316 vessels in the NDRF. This includes 140 retention vessels held for national sealift (comprised of 76 RRF ships and 64 NDRF), 132 non-retention ships, and 44 ships held in reimbursable custody. (See Figures 4 and 5.)

The deep lay-up vessels are maintained in three reserve fleet sites: 104 in the James River Reserve Fleet (JRRF) at Ft. Eustis, VA; 44 in the Beaumont Reserve Fleet (BRF) at Beaumont, TX;

and 98 in the Suisun Bay Reserve Fleet (SBRF) at Benicia, CA. The remaining 70 vessels maintained in various locations are mostly RRF ships stationed at outpost berths based upon a siting plan.

**Figure 4: NATIONAL DEFENSE RESERVE FLEET
1945—2001**

<i>Fiscal Year</i>	<i>Ships</i>	<i>Fiscal Year</i>	<i>Ships</i>	<i>Fiscal Year</i>	<i>Ships</i>
1945	5	1964	1739	1983	304
1946	1421	1965	1594	1984	386
1947	1204	1966	1327	1985	300
1948	1675	1967	1152	1986	299
1949	1934	1968	1062	1987	326
1950	2277	1969	1017	1988	320
1951	1767	1970	1027	1989	312
1952	1853	1971	860	1990	329
1953	1932	1972	673	1991	316
1954	2067	1973	541	1992	306
1955	2068	1974	487	1993	302
1956	2061	1975	419	1994	286
1957	1889	1976	348	1995	296
1958	2074	1977	333	1996	303
1959	2060	1978	306	1997	307
1960	2000	1979	317	1998	307
1961	1923	1980	303	1999	312
1962	1862	1981	317	2000	325
1963	1819	1982	303	2001	316

**Figure 5: NATIONAL DEFENSE RESERVE FLEET
SEPTEMBER 30, 2001**

<i>Port</i>	<i>NDRF</i>		<i>NDRF</i>		<i>Reimbursable</i>	<i>Totals</i>
	<i>RRF</i>	<i>Retention</i>	<i>Non-retention</i>	<i>Custody</i>		
James River, VA	6	18	70	10	104	
Beaumont, TX	6	27	9	2	44	
Suisun Bay, CA	4	14	48	32	98	
Other Locations	60	5	5	0	70	
TOTALS	76	64	132	44	316	

Ready Reserve Force (RRF)

A Memorandum of Agreement between the DOD and MARAD established the RRF as the surge component of the

NDRF in 1976. RRF vessels are kept in a high state of readiness to enable them to be activated in 4, 5, 10, or 20 days to meet surge and resupply military sealift requirements. The ships are used in the event of war or military deployment. They were used in Operations Desert Shield and Desert Storm, and more recently in Haiti, Somalia, Croatia, Bosnia-Herzegovina, and for humanitarian support as part of Hurricane "Mitch" Relief in Central America.

As of September 30, 2001, there were 76 vessels in the RRF fleet, down from 90 the previous year due to the downgrading of 14 aging breakbulk vessels. MARAD has responded to this fleet reduction by increasing militarily useful RO/RO deck space.

The RO/RO's CAPE RACE, CAPE RAY, CAPE RISE, CAPE VICTORY, CAPE VINCENT, and CAPE WRATH have all completed deck space upgrades, and the CAPE WASHINGTON is presently in a shipyard undergoing a similar deck space upgrade. These upgrades significantly enhance the capacity of the vessel type most useful to DOD and offset lost breakbulk capacity.

To meet the readiness needs of DOD, MARAD outports 4- and 5-day RRF ships and assigns them with permanent Reduced Operating Status (ROS) crews. The outporting program provides layberths for RRF ships near the expected loading ports for defense cargoes. At year's end, 56 RRF vessels were assigned to outport locations: 20 on the East Coast, 11 on the Gulf Coast, 25 on the West Coast (including three shallow-draft tankers that are outported in Japan). In addition, there were four RRF vessels fully operational and deployed overseas for the year. The remaining ships in the RRF were located in the three reserve fleet sites: 6 in the James River, VA; 6 in Beaumont, TX; and 4 in Benecia, CA. The schoolships EMPIRE STATE and GOLDEN BEAR, outfitted to carry troops in an emergency, have dual status and, when needed by the DOD, as was the case when the EMPIRE STATE was pressed into DOD service to repatriate refugees during the Somalia incident, they assume the RRF mantle.

ROS crews on the ships in 4- and 5-day readiness status consist of 9 or 10 merchant mariners who execute a planned maintenance program and become part of the sailing crew upon vessel activation. The use of ROS crews greatly enhances the ability to successfully activate RRF ships. Since the establishment of the ROS program following the Persian Gulf sealift experience in the early 1990s, there have been no activation failures on ships with such crews.

25th Anniversary of the Ready Reserve Force

Preparations for the recognition of the 25th anniversary of the RRF commenced early January 2001, and continued throughout the fiscal year. MARAD employees paused to look back on the genesis of this unique sealift program. Activities to recognize the RRF program included the development of an electronic history, the issuance of a coloring book featuring the RRF and US Merchant Marine, opening RRF vessel sea trials to

local media, and the issuance of the *MARAD UPDATE*, an agency newsletter, which featured programs of national security.

The national recognition of the program, originally scheduled for September 14, 2001, was postponed until FY 02 as a result of the events of September 11, 2001. Instead, MARAD and its sealift partners in industry concentrated on providing emergency response measures including heightened ship and layberth security, anti-terrorism training for RRF vessel crews, testing of the material condition of vessels through dock and sea trials, and general preparations to support sealift requirements of Operation Enduring Freedom.

Implementation of New Ship Manager Contracts

A procurement solicitation (RFP DTMA91-97-00002) was issued on August 1, 1997. This solicitation requested offers for ship management services from qualified sources to maintain and operate RRF vessels in defined phases of readiness as directed by MARAD. Services include determining vessel deficiencies, writing repair specifications, supervising repairs, identifying spare parts requirements, storing spare parts shipboard, maintaining inventory, and provisioning, crewing, activating, operating, and deactivating the vessels in compliance with U.S. Coast Guard regulations and American Bureau of Shipping standards and other regulatory requirements.

On April 28, 2000, the Office of Acquisition announced 33 contract awards for maintenance and operational services for RRF vessels as outlined in Figure 6.

Protests were filed by some unsuccessful offerors. During the course of the summer, several protests were withdrawn. In September 2000, the General Accounting Office dismissed the remaining protests, which were filed upon the announcement of Ship Manager contract awards. On October 1, 2000, MARAD began the transition of RRF vessels between former and incoming ship managers and general agents.

The second set of vessels received notice to proceed on November 1, 2000.

Approximately four vessels were held for later turnover due to operational considerations. A post-award conference with all Ship Managers was held November 13, 2000, at MARAD Headquarters in Washington, DC. By January 1, 2001, the 2000 Ship Manager contracts were fully implemented and transition from former to present Ship Managers was completed.

A Systematic Ship Maintenance Program

The initial concept of the RRF was to develop a dedicated fleet of ships that would implement a sound, systematic material conditioning program for cargo ships with capabilities not necessarily readily available in the commercial marketplace. This program would test selected vessels through operations and exercises. During FY 2001, MARAD conducted 58 sea trials, including 13 conducted as part of no-notice activations, 14

scheduled dock trials, and 17 drydockings in U.S. shipyards. Sea trials and the inclusive rigorous testing of the main engine and all supporting engine room systems are vital to ensure the readiness of the RRF fleet.

Prior to Desert Shield/Desert Storm, sea trials were not routinely conducted, nor was vessel maintenance and repair adequately funded. Since then, a vigorous sea trial program, combined with adequate maintenance and repair funding, regular

Figure 6: RRF Ship Managers

<i>Ship Manager, by contract</i>	<i>RRF Vessels Assigned</i>
1. Keystone Shipping Services	CAPE RACE, CAPE RAY, CAPE RISE
2. Crowley Liner Services	CAPE LAMBERT, CAPE LOBOS
3. American Overseas Marine Corp.	CAPE JOHNSON, CAPE JUBY
4. Mormac Marine Enterprises	CAPE ANN, CAPE ARCHWAY
5. Mormac Marine Enterprises	CAPE ALEXANDER, CAPE AVINOF
6. Crowley Liner Services	CAPE WASHINGTON, CAPE WRATH
7. Marine Transport Lines, Inc.	CAPE DUCATO, CAPE EDMONT
8. Marine Transport Lines, Inc.	CAPE DECISION, CAPE DOUGLAS
9. Marine Transport Lines, Inc.	CAPE DIAMOND, CAPE DOMINGO
10. Interocean Ugland Management Corp.	CORNHUSKER STATE, FLICKERTAIL STATE, GOPHER STATE
11. Interocean Ugland Management Corp.	CAPE MAY, CAPE MENDOCINO
12. Keystone Shipping Services	CAPE KENNEDY, CAPE KNOX
13. Mormac Marine Enterprises	CAPE TAYLOR, CAPE TEXAS, CAPE TRINITY
14. Keystone Shipping Services	CAPE VICTORY, CAPE VINCENT
15. American Overseas Marine Corp.	CAPE JACOB, CAPE JOHN
16. Pacific Gulf Marine, Inc.	DIAMOND STATE, EQUALITY STATE
17. Pacific Gulf Marine, Inc.	CAPE FAREWELL, CAPE FLATTERY, CAPE FLORIDA
18. Keystone Shipping Services	MISSION BUENAVENTURA, MISSION CAPISTRANO
19. Interocean Ugland Management Corp.	PETERSBURG, POTOMAC
20. Keystone Shipping Services	ADM. WM. CALLAGHAN, CAPE ORLANDO
21. Marine Transport Lines, Inc.	CAPE HENRY, CAPE HORN, CAPE HUDSON
22. Crowley Liner Services	CAPE INTREPID, CAPE ISLAND
23. Crowley Liner Services	CAPE INSCRIPTION, CAPE ISABEL
24. Mormac Marine Enterprises	COMET, METEOR
25. Patriot Contract Services	CAPE BOVER, CAPE BRETON
26. Patriot Contract Services	CAPE BLANCO, CAPE BORDA
27. Patriot Contract Services	CAPE GIBSON, CAPE GIRARDEAU
28. Pacific Gulf Marine, Inc.	KEYSTONE STATE, GEM STATE, GRAND CANYON STATE
29. Interocean Ugland Management Corp.	CAPE FEAR, CAPE MOHICAN
30. American Overseas Marine Corp.	BEAVER STATE, GREEN MOUNTAIN STATE
31. Ocean Duchess, Inc.	ALATNA, CHATTAHOOCHEE, NODAWAY
32. American Overseas Marine Corp.	CAPE NOME, CURTISS, WRIGHT
33. Interocean Ugland Management Corp.	CHESAPEAKE, MOUNT WASHINGTON

dry docking intervals, and phased maintenance procedures, has resulted in RRF vessels being delivered to Military Sealift Command's (MSC's) operational control an average of one day ahead of their activation charters, regardless of whether they are 4-, 5-, 10-, or 20-day ships. Early delivery provides more time for the vessels' critical-mission cargo loadouts.

MARAD mandates a set schedule for trials of ROS RRF vessels. ROS-4 vessels receive sea trials annually and ROS-5 vessels alternate between dock trials and sea trials, receiving one or the other annually. RRF-10 and RRF-20 status vessels do not have crewmembers permanently assigned to them until they are activated and placed in operation. RRF-10 vessels have sea trials every other year and RRF-20 vessels have alternate dock and sea trials at 2 _-year intervals. During the final weeks of FY 2001, MARAD conducted 40 emergency dock trials in preparation for potential participation of the RRF in Operation Enduring Freedom.

Sea trials also provide a training opportunity for the merchant mariner crews and a chance for the ship management company to exercise its management contract functions and observe crew performance. MARAD continued its policy to include customer representatives from MSC whenever possible. The attending MSC Surge Representatives (Surge Reps) were able to witness many sea trials and how the RRF ships performed. In addition, the MSC Surge Reps were able to observe the performance of newly-installed automated engine room equipment as well as any other demonstrated shipboard deck or engine room equipment performance. The sea trials provide the added advantage of early warning of potential equipment failure through observation of performance and sea trial tests such as thermography and vibration analyses. These "heads-up" warnings enable MARAD to carry on an effective maintenance and repair program and minimize the possibility of an RRF mission failure.

At the conclusion of a sea trial, both MARAD and the ship manager record the deficiencies they have observed. Their report forms the nucleus of repair specifications. In addition, crew performance is noted for purposes of improving or developing training regimens. When a RRF ship is activated, over two-thirds of the crew complement for the vessel comes directly from maritime union hiring halls. Many of these seafarers may be unfamiliar with the RRF vessel to which they are assigned, or with the differences that exist between a commercial and RRF military ship routine. The 9- and 10-person ROS crews in attendance aboard RRF vessels in ROS-4- and 5-day activation status are very familiar with the vessels, and can help familiarize the additional crew members.

Combined with sea and dock trials, MARAD conducts regulatory drydockings in accordance with a 1998 Memorandum of Understanding between MARAD and the U.S. Coast Guard. RRF ships fall into one of three drydocking intervals: 1) the normal twice-in-five years interval, typical of active commercial vessels; 2) a five-year interval with drydocking exams scheduled every five years and no intermediate examination; or 3) a ten-year interval with intermediate exam(s).

From the perspective of a sound, systematic maintenance program, a drydocking allows the vessel to remove marine growth and fouling from the hull, which, if not addressed periodically, impedes the vessel's speed and increases fuel consumption. The increased speed capability and fuel consumption efficiency are especially important to the aging RRF vessels and their continued ability to carry out their national defense and contingency missions.

Drydocking also provides an opportunity to pull the propeller, make repairs to the blades, check bearings, lube oil leaks, and packing condition.

If the hull coatings on the vessels are denigrated during the scamping process (growth and fouling removal) or if the coating has deteriorated through normal wear and tear, the coating is restored during the drydocking. The drydocking period also provides opportunity to restore coatings to weather decks, housing, cargo gear, winches, and other topside appurtenances.

MARAD regions and Ship Managers usually coordinate the scheduling and conduct of most drydockings during favorable weather that prevails in spring and summer. This enhances shipyard productivity and the quality of the drydocking. As previously cited, topside and related engine room repairs can be included in a drydock bid package. Depending on the breadth of a drydock bid package, the RRF drydockings ranged in cost from \$800,000 to \$3.5 million during FY 2001. Drydocking details are maintained and tracked through the RRF Maintenance, and Repair Tracking System (RRF-MARTS).

Collectively, the RRF program's dock trials, sea trials, drydockings, and maintenance procedures provide ready, dependable, cost-efficient surge sealift.

Turbo Activations Show Readiness

In FY 2001, there were 13 Turbo Activations, which are activations initiated by DOD, without prior notice or planning, in order to test readiness. All of these activations were completed within their assigned readiness time period. This performance validates the maintenance program developed to ensure the material condition of the RRF fleet, its readiness to perform and the activation procedures of the ship managers.

Turbo Activations normally are short-interval exercises that include a sea trial when required, practical, and possible. These sorties are generally of 24 hours duration and serve to verify vessel material condition and readiness. Turbo Activations normally do not include cargo operations. However, in FY 2001, three vessels, the CAPE MOHICAN, FLICKERTAIL STATE and CHESAPEAKE, started out as Turbo Activations and were extended to cargo loadouts in support of an international Joint Logistics Over the Shore (J-LOTS) exercise.

The other RRF component tested is the human factor. All RRF crews are union seafarers: U.S. Coast Guard-licensed plus certified unlicensed personnel meeting U.S. citizen and security requirements. Crew members must respond to a no-notice acti-

vation, execute vessel activation procedures, and perform the shipboard functions of their respective ranks and ratings during vessel operation.

During FY 2001, four Turbo Activations were conducted with each using two or more RRF vessels. The largest, involving all three coasts and regions, was initiated on the Friday preceding the Memorial Day holiday observance. Eight RRF vessels involving six ship managers were called out during the no-notice test. Included were the EQUALITY STATE, CAPE BLANCO, CAPE GIBSON, CHATTAHOOCHEE, ALATNA, CAPE TRINITY, CAPE VICTORY, and CAPE MAY. The Turbo Activation is the culmination and validation of the readiness reporting that the regions and ship managers submit during the year.

Readiness reports are provided to USTRANSCOM and other DOD customers on a monthly and interim basis to advise them of the readiness availability of RRF vessels. This includes identification of vessels unavailable due to repair and regulatory work in progress.

Special Missions for RRF Vessels

Within the RRF, a number of vessels have been equipped with Sealift Enhancement Features (SEF), undergone conversions to perform specific missions, or were originally designed with special capabilities. These vessel classes include: general cargo ships with Modular Cargo Delivery Systems (MCDS), tankers with Offshore Petroleum Discharge Systems (OPDS), Aviation Logistics Support Ships (TAVB), Lighter Aboard Ship (LASH), Auxiliary Crane Ships (T-ACS) and Sea Barge Clippers (SEABEE) barge carriers. A synopsis of their FY 2001 activities follows.

Offshore Petroleum Discharge System

On June 26, 2001, MARAD celebrated the return to the United States of the POTOMAC after more than 10 years of continuous duty overseas under DOD operational control. This event was marked with the presentation of the Professional Ship Award to the officers and crew of the POTOMAC. POTOMAC, the first of five offshore petroleum discharge system (OPDS) vessels converted by MARAD, was first activated on March 31, 1991, for Operation Desert Shield /Desert Storm. Upon completing its service in the Gulf War, POTOMAC remained operational and was assigned to the Navy's MPS squadron in Diego Garcia. Throughout this period, POTOMAC was fully loaded with cargo and ready to get underway within a few hours to support national security needs. POTOMAC was called upon on several occasions including supporting Operation Restore Hope in Somalia, delivering aid to Rwandan refugees on the African coast, the Bosnian relief efforts, and numerous other convoy operations and exercises. POTOMAC's exceptional service was highly recognized and its merits included the USN "E" for excellence and accolades by the Secretary of the Navy and Commanding Officer of the Military Sealift Command during

visits to the ship. Upon completing deactivation, POTOMAC will be sited in the Beaumont Ready Reserve Fleet in RRF-10 status.

Replacing the POTOMAC in Diego Garcia is the SS CHESAPEAKE. CHESAPEAKE completed a Joint Logistics Over the Shore (JLOTS) exercise in Korea with outstanding results prior to loading cargo and steaming for Diego Garcia. The CHESAPEAKE is outfitted with OPDS utility boats that provide operational self-sufficiency, and it carries 50 percent more cargo than the POTOMAC, enhancing the OPDS capability in the theater.

In June, the flooding in Houston, TX, from Tropical Storm Alison caused the MOUNT WASHINGTON to incur serious damage to its rudder and steering gear, and to break free from its pier when struck by two free-floating barges. MOUNT WASHINGTON then went on to collide with the RRF vessels EQUALITY STATE and DIAMOND STATE. The hull damage to all vessels was minimal.

Modular Cargo Delivery System (MCDS)

The MCDS Program achieved two major milestones in FY 2001. They were the first underway replenishment (UNREP) operation between an MCDS vessel and a NATO ship, and the first UNREP operation between a MARAD ship and an aircraft carrier. In October 2000, the CAPE JOHN participated in Exercise JTFX 01-01 as an underway MCDS and Maritime Interdiction Operation (MIO) platform. The vessel was activated in Violet, LA, and sailed to Wilmington, NC, to embark United States Naval Reserve (USNR) personnel. During the exercise, conducted off the coast of the Carolinas, UNREP operations were conducted with a NATO ship. CAPE JOHN returned to its outport berth in Violet after the highly successful exercise.

The CAPE GIRARDEAU was activated in January 2001, to participate in a west coast MCDS exercise. Upon successful activation, the CAPE GIRARDEAU departed for Pearl Harbor, HI. The vessel participated in the first UNREP exercise ever conducted between any class of MARAD vessel and an aircraft carrier, the USS ABRAHAM LINCOLN. The exercise was an unqualified success, and the CAPE GIRARDEAU received a BRAVO ZULU congratulatory message from the carrier's commanding officer, the first recognition of this kind received by a MCDS vessel in 2001. CAPE GIRARDEAU returned to her Alameda, CA, outport berth in February 2001 after completing a number of other successful exercises off the Hawaiian Islands.

Aviation Logistic Support Ship (T-AVB)

In April 2001, the T-AVB CURTISS was activated in Port Hueneme, CA, to participate in Exercise PACIFIC PROVIDER 21 off the coast of California. The ship loaded cargo at Port Hueneme, and then departed on the exercise. CURTISS made a port call at San Diego, CA, during the exercise and completed several successful exercise evolutions before returning to Port Hueneme to discharge cargo.

Lighter Aboard Ship (LASH)

MARAD's four LASH vessels are each outfitted with a 455-light-ton gantry crane to load and discharge barges. The CAPE FEAR is also outfitted with a self-sustaining 30-ton container crane. In 2001, the CAPE FAREWELL was modified to carry 20-foot equivalent container units (TEU) without the use of barges. Modifications to the vessel included installation of deck lashing points and lashing gear. The vessel is now capable of carrying 1,624 containers, with 1,489 of these containers having ammunition-carrying capability. The CAPE FLATTERY's modification is currently in progress and is expected to be completed in early FY 2002, with the CAPE FLORIDA modification to follow. In addition, all LASH vessels will be able to support the DOD Joint Logistics Over the Shore exercise initiatives. The CAPE FAREWELL is to be outfitted with a cantilever-lifting frame that will enable the vessel to lift and carry oversized DOD cargo.

State Maritime Academy Schoolship Maintenance and Repair (M&R) Program

Public nautical schoolships are furnished by MARAD to state maritime academies and colleges in accordance with the provisions of the Maritime Education and Training Act of 1980. These ships are the primary assets for training young men and women to become licensed merchant marine officers (see Chapter 7). There are six academies and colleges located in California, Maine, Massachusetts, Michigan, New York, and Texas.

Through FY 2001, schoolships were assigned to all the academies except Michigan. In September 2001, MARAD requested the transfer of a vessel from the United States Coast Guard (ex-USNS PERSISTENT, T-AGOS 6) for future assignment to the Great Lakes (Michigan) Maritime Academy. If the transfer is approved, the vessel will likely become available to MARAD in early FY 2002.

There were four schoolships in service during FY 2001: EMPIRE STATE (NY), GOLDEN BEAR (CA), STATE OF MAINE (ME), and TEXAS CLIPPER II (TX). The EMPIRE STATE was also temporarily furnished to Massachusetts in 2001. The contract to convert the former RRF general cargo ship CAPE BON into a schoolship was awarded in December 2000 to Bender Shipbuilding and Repair Co. of Mobile, AL. The converted vessel, to be renamed ENTERPRISE, will be assigned to the Massachusetts Maritime Academy to replace the retired schoolship PATRIOT STATE.

MARAD is responsible for maintaining schoolships in full regulatory compliance, and in a state of good repair. Academy crew and cadets carry out routine and preventive maintenance. Two of the schoolships, the EMPIRE STATE and GOLDEN BEAR, are designated as troopships in the RRF. Upon completion, the ENTERPRISE is slated to replace the GOLDEN BEAR as an RRF troopship in FY 2002.

A \$500,000 earmark for renovation of the EMPIRE STATE was included in MARAD's FY 2001 appropriation. A renovation contract was awarded in September 2001 to accomplish necessary upgrades to living spaces and infrastructure.

RRF Operations

DOD continued to deploy the RRF crane ship GOPHER STATE in Guam during FY 2001 to support the U.S. Army's Prepositioning Stock Program (APS). GOPHER STATE departed Guam for Marchwood Military Port, Hythe, United Kingdom, in January via the Panama Canal for a cargo maintenance download. Upon completion of the download in late February, GOPHER STATE left APS service for a maintenance shipyard period in Charleston, SC, departing the shipyard in May, and returning to Guam via cargo upload in Hythe in early July to resume APS duties.

The OPDS tankers PETERSBURG and CHESAPEAKE (which replaced the POTOMAC after completing a J-LOTS exercise in May, see above) continue to support the Afloat Prepositioning Force (APF), operating from Guam and Diego Garcia respectively. The CAPE JACOB, a breakbulk vessel outfitted with a Modular Cargo Discharge System (MCDS) for underway cargo transfers, is also on station at Diego Garcia participating in the APF program.

In March 2001, the CAPE ISABEL was activated at her Long Beach, CA, outport berth to participate in EXERCISE TANDDEM THRUST 2001. The vessel participated in cargo operations in Japan, Korea, and Australia before MSC redelivered the ISABEL to MARAD in May at Long Beach. The vessel was under MSC operational control for 62 days. The CAPE HUDSON was also activated in March at her San Francisco, CA, outport berth in support of EXERCISE COBRA GOLD 2001. The vessel participated in cargo operations in Japan, Korea, and Thailand before redelivery to MARAD in May at San Francisco. The vessel was under MSC OPCON for 121 days.

Three RRF vessels participated in a J-LOTS exercise during May-June 2001 off Chilpo Beach, Korea. Three different classes of RRF vessels were activated for this unique exercise, which also involved the construction of an offshore pier capable of accommodating the cargo discharge of a RO/RO vessel. In addition, the exercise included construction of an Offshore Petroleum Discharge System (OPDS) conduit to expedite pumping from the RRF OPDS tanker CHESAPEAKE (OPDS-3) to a shoreside storage facility. The other participating RRF vessels were the CAPE MOHICAN (SEABEE) and the crane ship FLICKERTAIL STATE (T-ACS-5). On May 22, 2001, the CAPE MOHICAN dragged anchor and went aground off the Chilpo Beach anchorage in severe weather conditions. The vessel sustained extensive hull damage, and repairs will be completed in FY 2002 in Singapore.

A single Sea Deployment Readiness Exercise (SEDRE), DRAGON TEAM 01-08, was held in FY 2001. The CAPE

DOUGLAS was activated at its Charleston, SC, outport berth and OPCON passed to MSC when the vessel was Ready For Sea (RFS). After departing Charleston, SC, the DOUGLAS loaded 126,000 square feet of cargo at Savannah, GA, sailed to Port Hueneme, CA, via the Panama Canal, discharged its cargo at Port Hueneme, and was redelivered to MARAD at Charleston, SC, in early June. The vessel was under MSC OPCON for 33 days.

Breakout 2001

MARAD conducted the CPX Exercise BREAKOUT 01, April 16-27, 2001. The exercise tested the procedural and coordination requirements necessary during a widespread RRF activation. All RRF vessels, except those exempted because they were already operational or undergoing maintenance and repair, to meet national defense strategic sealift requirements were included in the exercise.

Primary focus of BREAKOUT 01 was on testing the Ship Manager's ability to crew those vessels participating in the exercise. The exercise also served as a procedure review for new Ship Managers and a refresher for holdover Ship Managers.

Another benefit of the exercise was that it provided an opportunity for on-the-job training of MARAD personnel at both the regions and headquarters with RRF responsibilities to test MARAD's plans, procedures, and communications in a significant RRF activation within a prescribed time frame.

The exercise embodied hands-on participation on the part of Region marine surveyors in that they were required to draft vessel SITREPS for their assigned vessels in coordination with the ship managers' port engineers, and to verify crew lists. The regions also consolidated the crew lists and forwarded them to headquarters.

Crewing of 63 RRF vessels was simulated in the exercise. (Eight RRF vessels were operational and five RRF vessels were undergoing maintenance, repair, or conversion upgrades.)

Unions and ship managers provided crew lists for all ships. The total surge crewing requirement was 1,570 mariners to complement the existing ROS crew members (450 seafarers) for a total manpower requirement of 2,010 mariners.

Merchant marine naval reservists along with Region marine surveyors participated in the exercise by calling over 25 percent of the union-identified crew members to verify their availability, readiness, and willingness to go to sea.

Logistics Support

MARAD continued to improve the logistics readiness of RRF vessels during FY 2001. Supply support overhauls or upgrades were completed on eight ships; five additional major logistics overhauls were in process at the end of the year. MARAD also completed five major ship spare-part stow evolutions.

The Personal Computer Shipboard Allowance List (PC-SAL) modernization project continued. Fleet testing and training was completed aboard six pilot ships. The final programming was completed to support RRF-wide implementation of PC-SAL version 4.0 in FY 2001.

Also, MARAD operationally deployed the web-enabled Excess Material Management System (EMS). EMS allows regional logistics warehouses to identify and nominate excess parts and equipment for transfer or disposal. Through EMS, MARAD HQ coordinates and approves nominations. Disposal decisions are electronically integrated with GSA, making MARAD only the second government agency to implement a totally paperless property disposal system.

RRF Claims Settlement

MARAD continued to act as the claim agent for Government-owned RRF vessels in FY 2001. From the inception of Operation Desert Shield/Desert Storm in August 1990, through the end of September 2001, some 829 formal, written administrative claims for personal injury have been presented to MARAD. Through September 30, 2001, 530 had resulted in monetary award. Monetary settlements from August 1990 through September 2001 totaled nearly \$30.4 million. As of September 30, 2001, two MARAD Ship Managers reported claims pending; they were expected to be settled at amounts within the independent settlement authority granted the Ship Managers. As of the end of September 2001, MARAD was also assisting the U.S. Department of Justice in seeking the resolution of 27 claims where litigation against the United States was brought by or on behalf of the claimant. Among claims pending resolution at the end of FY 2001 were those for seafarers who crewed RRF vessels used in the Army Prepositioning Stock Program and the Afloat Preposition Force Program.

Ship Disposal Program for Disposition of Obsolete Vessels

Section 8136 of Public Law 106-259 appropriated \$10 million to accelerate the scrapping and disposal of ships in the NDRF in FY 2001. Some of the NDRF vessels are in a state of advanced deterioration, posing significant environmental risk. To meet its vessel disposal challenges, MARAD used existing staff to provide oversight of the FY 2001 contracts and plan out-year vessel disposal activities. MARAD staff also completed a comprehensive Ship Disposal Report transmitted to Congress in June 2001, and began investigating many disposal alternatives to expedite the disposal of its obsolete vessels at the least cost to the Government.

In February 2001, MARAD contracted with a general agent to award and manage the disposal of the highest-risk ships. The highest-risk ships were determined through an evaluation and prioritization process that considered the ships material condi-

tion and potential for damage to the environment from spills of hazardous materials or vessel sinkings. In FY 2001, four contracts were awarded to ship scrapping contractors by MARAD's general agent using the \$10 million FY 2001 funding. Another vessel was dismantled as a result of a contract awarded under an urgent and compelling solicitation.

In addition to the five vessels to be disposed of with FY 2001 funds through service contracts, the disposal of two other vessels was completed in FY 2001, which was a result of sales contracts executed by MARAD with domestic ship-disposal contractors prior to FY 2001. Also, one ship was transferred in FY 2001 to the State of Florida to be sunk as an artificial fish reef. The transfer of the ship for use as an artificial fish reef was accomplished at no cost to the Federal Government.

WAR RISK INSURANCE

MARAD administers the standby emergency War Risk Insurance program in accordance with the statutory authority of Title XII of the Merchant Marine Act, 1936, as amended. The program encourages the continued flow of U.S.-foreign commerce during periods when commercial insurance cannot be obtained on reasonable terms and conditions. It protects vessel operators and seafarers against losses resulting from war or warlike actions.

As of September 30, 2001, the War Risk Revolving Fund (fund) asset total was approximately \$35,200,000. There were no new assureds receiving binders during FY 2001. The fund earned \$2,000,000 in investment income. Program expenses for FY 2001 totaled \$46,500.

As of September 30, 2001, there were 269 binders on vessels and barges providing eligibility for hull protection and indemnity, and second seamen war risk insurance. No binders related to MARAD's standby war risk cargo insurance and builder's risk insurance programs have been issued. All binders are effective for 30 days following an automatic termination of commercial insurance.

Statutory authority covering the Title XII War Risk Insurance program was extended five years, to June 30, 2005 by Public Law 106-65.

In addition to the standby war risk program, MARAD has activated the war risk program on several occasions at the request of the Secretary of Defense with the approval of the President. MARAD wrote war risk insurance on 388 vessels during Operation Desert Shield/Desert Storm, 34 vessels for Operation Restore Hope in Somalia, and 15 vessels for Operation Restore Democracy in Haiti. As a result of the terrorism of September 11, 2001, MARAD has also written war risk insurance on five vessels in conjunction with Operation Enduring Freedom.

**Figure 7: Marine and War Risk Insurance
Approved in FY 2001**

<i>Kind of Insurance</i>	<i>Total Amount</i>	<i>American</i>	<i>Foreign</i>
Marine Hull and Machinery	\$2,018,209,985	43%	57%
Protection and Indemnity*	—	—	—
War Risk Hull and Machinery	\$1,849,620,434	46%	54%
War Risk Protection and Indemnity	\$1,427,372,406	39%	61%

* Protection and Indemnity insurance coverage is obtained principally from assessable mutual associations managed in the British market and is unlimited, thereby making it impossible to arrive at the total amount or percentage figures for American and foreign participation.

TITLE XI AND OTHER INSURANCE COMPLIANCE

MARAD monitors the contractual requirements for marine insurance coverage placed in the commercial market on all existing Title XI vessels on which MARAD holds the mortgage, together with vessels subsidized by the Government and Government-owned vessels on charter to private operators. One aspect of this compliance is to assure that the American marine insurance market has the opportunity to compete for placement of marine insurance on these vessels. As indicated in Figure 7, MARAD approved marine hull and machinery during FY 2001, with 43 percent being placed in the American market and 57 percent being placed in the foreign insurance markets. This compares with 46 percent American market placement for hull and machinery insurance in FY 2000.

EMERGENCY OPERATIONS

MARAD Advisories rapidly disseminate information on government policy, danger and safety issues pertaining to vessel operations, and other timely maritime matters. MARAD routinely issues them to ship operators and other U.S. maritime interests via Internet e-mail. MARAD Advisories are published in the National Imagery and Mapping Agency's (NIMA) Weekly Notice to Mariners. Depending on the importance of the MARAD Advisory, NIMA will on occasion re-broadcast the Advisory directly to ships as a Broadcast Warning. MARAD also posts MARAD Advisories on its World Wide Web pages, making them more accessible to the shipping industry and the public.

During the year 2001, MARAD issued the following seven MARAD Advisories:

- 01-1 Mine Danger Area Advisory for Merchant Shipping in the Northern Persian (Arabian) Gulf
- 01-2 Radio Navigational Aids, Pub. 117
- 01-3 Naval Coordination and Protection of Shipping Exercise in the Arabian Gulf
- 01-4 Naval Coordination and Protection of Shipping Exercise in the Arabian Gulf; Naval Coordination and Protection of Shipping (NCAPS) Exercise in Waters Off the Republic of Korea (ROK)
- 01-5 The Reporting of Hostile Incidents Directed at Merchant Ships as Discussed in Pub. 117, "Radio Navigational Aids"
- 01-6 Maritime Alert and Increased Required AMVER Position Reporting for U.S.-Flag Vessels
- 01-7 Maritime Industry Reporting of Suspected/Actual Terrorist Incidents

Special Warnings to Mariners are coordinated by the State Department with MARAD and the Defense Department announcing official government proclamations affecting shipping. During 2001, seven Special Warnings were issued for

Iran, Persian Gulf, Pakistan, Algeria, Lebanon, Sierra Leone, and U.S. Forces. Special Warnings to Mariners are also published in the Weekly Notice to Mariners.

Through NIMA's Pub. 117, Radio Navigational Aids, MARAD provides instructions to U.S. merchant ships on emergency call-up of the U.S. Navy if under attack or faced with a hostile situation, and Ship Hostile Action Report (SHAR) procedures.

The Chemical, Biological, and Radiological Defense (CBRD) Tracking System was operationally deployed to facilitate ship-board accountability of CBRD items, including shelf life, lot numbers, expiration dates, quantities, and financial data. The CBRD Tracking System accounts for equipment at the MARAD staging facility, region SBS warehouses, on board RRF ships, and while in transit. The tracking system allows authorized individuals to query CBRD status via the Internet.

MARAD procured 3,388 line items of repair parts and ship support material valued at \$3.8 million from Federal and commercial supply sources. MARAD screened 2,564 line items of excess material transferred from RRF vessels, valued at \$768,585, through the MARAD Reutilization Material (MRM) program and inducted the material into the MARAD shore-based spares (SBS) inventory. More than 1,500 items valued at \$945,178 from shore-based spares were issued to RRF ships.